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SUBJECT: BELARUS WEEKLY POL/ECON REPORT - June 27, 2008

11. The following are brief items of interest compiled by Embassy Minsk.

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Civil Society

12. Christian Democratic Activist Expelled

The Pedagogical University expelled first-year Belarusian philology and culture student Anna Antonova on June 24. Antonova, an activist with the Belarusian Christian Democratic party, allegedly violated university regulations by applying to Minsk city authorities to demonstrate in support of political prisoner Aleksandr Kozulin. The university dean claimed that as long as Antonova is a student at a state-run school, she must follow "our governmental and our president's policies" and not listen to what "they say at a church."

13. Belarusian Christian Democracy Denied Registration

On June 20, the Justice Ministry (MOJ) denied state registration to the Belarusian Christian Democratic party for the second time. The party's Co-chairman, Pavel Severinets, stated that the MOJ's denial notice made reference to improper citation of the party's goals and tactics in the party statute. He noted that the party would appeal the decision to the Supreme Court.

14. National Bolshevik Party Activist Fined

On June 24, a Vitebsk district court fined activist Aleksey Mitrofanov, from the unregistered National Bolshevik party, 70,000 rubles (USD 30) for petty hooliganism. Coordinator Khristofor Zhelyapov of the Vitebsk-based For Freedom (FF) movement filed an administrative case against Mitrofanov for throwing eggs at FF

leader Aleksandr Milinkevich during a public meeting at a market in Vitebsk. Mitrofanov called himself "a victim," and Zhelyapov said that the fine was mild for this "politically motivated" offense.

15. BKGB Questions Opposition Youth

An unnamed BKGB officer questioned opposition youth activist Ales Golovach on June 25. The officer summoned Golovach, a fifth-year student at the University of Culture, into the dean's office and inquired about his membership in opposition groups, participation in unsanctioned demonstrations, and other political activities. When Golovach refused to answer, the officer threatened him with expulsion.

----- Domestic Economy -----

16. Retail Sales Rise in Jan-May 2008

The Ministry of Statistics reported on June 23 that Belarus' retail turnover, including the public catering sector, between January-May 2008 has risen 19.6 percent on the year and reached 18.6 trillion rubles (USD 8.8 mln). Entrepreneurs accounted for 32 percent of total trade and larger retail companies for 68 percent. Belarusian-made manufactured consumer goods' and foodstuff share in retail turnover reached 75.3 percent and 84.7 percent, respectively, excluding market trade. The number of private companies engaged in retail trade grew by 0.3 percent to 81.9 percent, and the share of foreign companies fell by 0.1 percent to 3.2 percent.

17. AlfaBank Ukraine Acquires Large Stake in ITI-Bank

On June 20, the National Bank of Belarus sold its 38.94 percent

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stake in the ITI-Bank (Mezhtorgbank) to a Cyprus-based subsidiary of Alfabank Ukraine for USD 12.266 mln. Other major shareholders are likely to offer their stakes for sale by July 1, and the Alfabank Group is expected to spend USD 31.5 mln to purchase a controlling share.

18. Foreign Debt Up Eight Percent in Jan-March 2008

The National Bank released a report June 20 citing an eight percent increase of Belarus' total foreign debt to USD 13,630 mln between January and March 2008. The Bank reports a drop in the central government's debt by 0.2 percent to USD 2,033 mln, and the banking sector arrears rose by 24.7 percent to USD 3,205 mln. The manufacturing sector's debt liabilities increased by 6.6 percent to USD 7,379 mln.

----- International Trade -----

19. Russian Crude Oil Prices Rise in June

A Presidential Administration source said June 20 that Russian crude oil prices for Belarus rose by USD 95 per ton in June 2008 to USD 625 as compared with USD 530 in May. According to the source, oil processing "remains lucrative" as prices for oil products are rising worldwide. Belarus' refineries reported a 10.2 percent rate of return, which permits them to loan funds for purchasing crude oil and upgrade their facilities.

----- Quote of the Week -----

110. Central Election Commission Chairperson Lidiya Yermoshina, speaking at a press conference on June 25:

"I've missed elections. Elections stir the blood; life becomes more complex but yet more interesting."

